

**CAMDEN'S PROMISE
CHARTER SCHOOL, INC.
Camden, New Jersey**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2015

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Camden's Promise Charter School, Inc.
Board of Trustees**

Camden, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

Camden's Promise Charter School Board of Trustees

Finance Department

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OF CAMDEN'S PROMISE CHARTER SCHOOL, INC.
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INTRODUCTORY SECTION

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
879 BEIDEMAN AVENUE
CAMDEN, NEW JERSEY 08105

Dr. Joseph V. Conway
Chief School Administrator
856-365-1000

Richelle Baughn
Business Administrator/
Board Secretary
856-365-1000 x 103

November 27, 2015

Honorable President and
Members of the Board of Trustees
Camden's Promise Charter School
County of Camden
Camden, New Jersey

Dear Board Members,

The comprehensive annual financial report of the Camden's Promise Charter School for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the final position and results of operations of the various funds under the auspices of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The Introductory Section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials.
- The Financial Section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The Statistical Section includes four unaudited fiscal years of data.
- The Single Audit Section-The Charter School is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management Budget Circular A-133, "Audits of States, Local Governments and Non-profit Organizations", and the New Jersey OMB circular letter 04-04 and/or 15-08 OMB, "Single Audit Policy for recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Camden's Promise Charter School, Inc. is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No.14. All funds and account groups of the Charter School are included in this report. The Camden's Promise Charter School, Inc. Board of Trustees and its school constitute the Charter School's reporting entity.

1. REPORTING ENTITY AND ITS SERVICES: (continued)

The Charter School is responsible for providing a thorough and efficient educational system for students in grades taught at the one school maintained. The Charter School completed the 2014-2015 fiscal year with an enrollment of 461 fifth, sixth, seventh and eighth grade students. The school has completed its fifteenth year of operations during the 2014-15 school year.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	464.3	4.31%
2013-14	445.1	2.48%
2012-13	434.3	.30%
2011-12	433.0	8.60%
2010-11	398.7	.68%
2009-10	396.0	(.01%)
2008-09	396.4	(1.15%)
2007-08	401.0	3.29%
2006-07	388.2	8.38%
2005-06	358.2	10.59%

2. ECONOMIC CONDITION AND OUTLOOK:

While the City of Camden area is a large urban community in Camden County and presently considered to possess a stagnant economy, a significant development of the riverfront area is currently in the planning and approval stage. The city is experiencing unemployment and underemployment which appears to be common in other urban areas around the state.

Initiatives

The Charter School has developed a comprehensive strategic plan to support its mission and vision and serve as a blueprint for the achievement of its goals. The plan includes objectives such as pupil achievement, staff development and technology in the classroom.

3. INTERNAL ACCOUNTING CONTROLS:

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

3. INTERNAL ACCOUNTING CONTROLS: (continued)

As a recipient of federal awards and state financial assistance, the Charter School also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School management.

As part of the Charter School's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the Charter School has complied with applicable laws and regulations.

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the Charter School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

5. ACCOUNTING SYSTEM AND REPORTS:

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

6. INVESTMENT POLICY:

The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The Charter School has adopted a cash management plan, which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds from deposit with a failed banking institution in New Jersey. The law required governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the act.

7. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

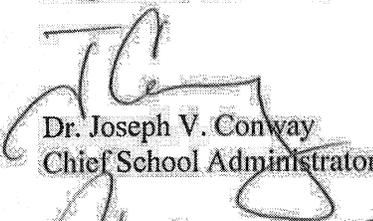
8. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm of Nightlinger, Colavita and Volpa, P. A., was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act amendment of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

9. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Camden's Promise Charter School, Inc. Board of Trustees for their concern in providing fiscal accountability to the community and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Dr. Joseph V. Conway
Chief School Administrator



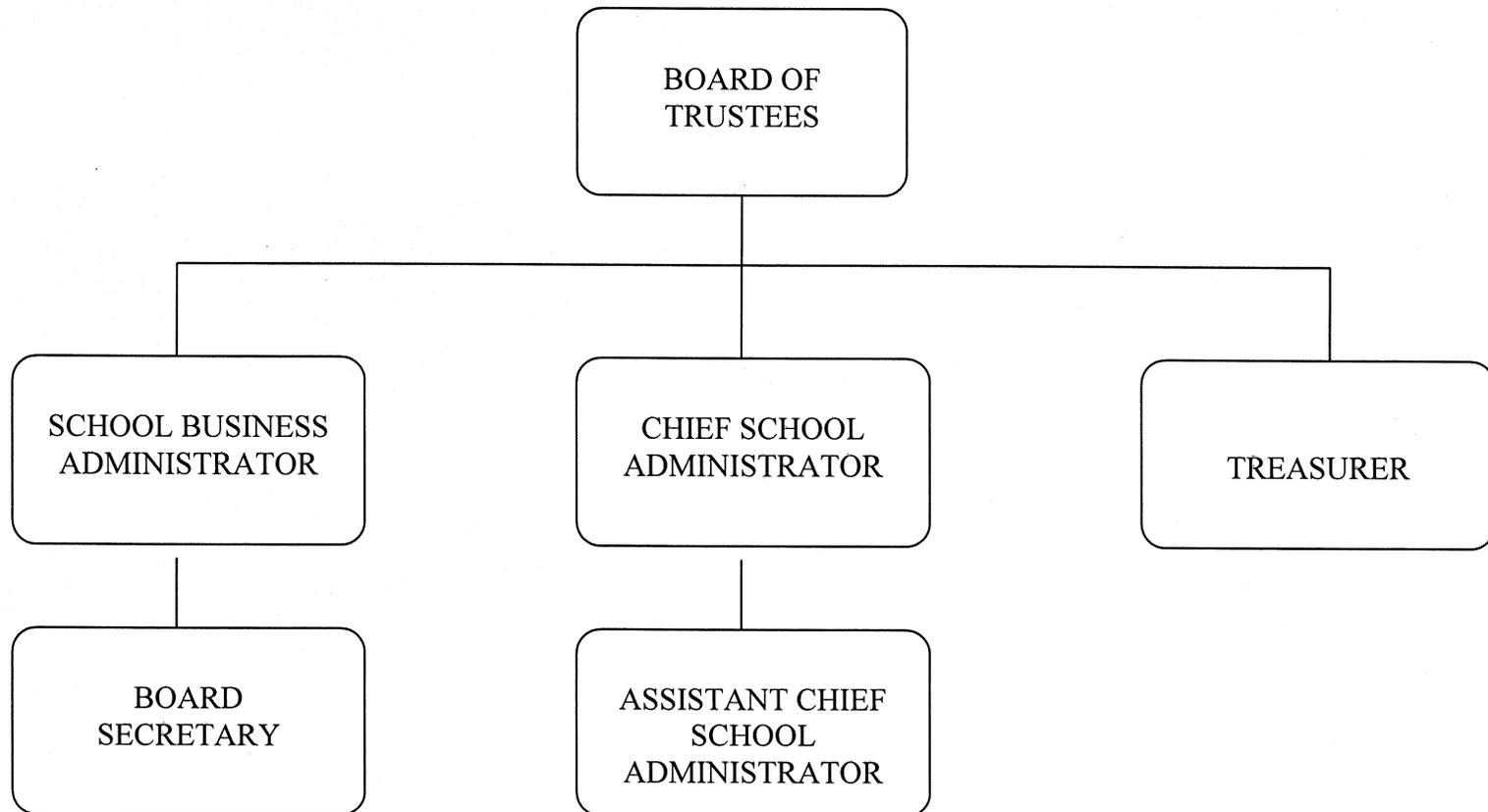
Richelle Baughn
School Business Administrator/
Board Secretary

CAMDEN'S PROMISE CHARTER SCHOOL, INC

Camden, New Jersey

Camden County

(UNIT CONTROL)



CAMDEN'S PROMISE CHARTER SCHOOL, INC
CAMDEN, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>MEMBERS OF THE BOARD OF TRUSTEES</u>	<u>TERM EXPIRES</u>	
Reverend Calvin Woods, President	2017	
Marta Cruz	2016	
Jaymarie Torres	2017	
Anthony Mumms	2017	
Vivian Nieves	2017	
<u>OTHER OFFICIALS</u>		<u>AMOUNT OF BOND</u>
Dr. Joseph V. Conway, Chief School Administrator		
Bill Helmbrecht, Charter School Coordinator		
Richelle Baughn, Business Administrator/Board Secretary	\$	50,000
Jeannie Scott, Treasurer of School Monies		475,000
Jane B. Capasso, Solicitor		

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, C.P.A., R.M.A.
Nightlinger, Colavita and Volpa, P.A.
Certified Public Accountants
991 S. Black Horse Pike
Post Office Box 799
Williamstown, NJ 08094

ATTORNEY

Jane B. Capasso, Esquire
Attorney-at-Law
Lipman, Antonelli, Batt, Gibson, Malestein, Rothman & Capasso
110 North Sixth Street/ P.O. Box 729
Vineland, New Jersey 08362-0729

OFFICIAL DEPOSITORY

TD Bank
151 Mickle Blvd.
Camden, New Jersey 08103

INSURANCE AGENT

Conner Strong & Buckelew Companies, Inc.
123 Rosenhayn Avenue
P.O. Box 358
Bridgeton, NJ 08302

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association
Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

November 27, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of
the Board of Trustees
Camden's Promise Charter School, Inc.
County Of Camden
Camden, New Jersey 08105

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Camden's Promise Charter School in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Camden's Promise Charter School's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 and 18 and 54 through 55 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Camden's Promise Charter School, Inc., Board of Trustees financial statements as a whole. The accompanying introductory section, other supplementary information such as the combining and individual non-major fund financial statements and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are not a required part of the financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2015 on our consideration of Camden's Promise Charter School, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
CITY OF CAMDEN

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

UNAUDITED

The discussion and analysis of Camden's Promise Charter School, Inc.'s financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ❖ General revenues net of adjustments accounted for \$3,997,170 in revenue or 67.1% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,960,052 or 32.9% percent to total revenues of \$5,957,222.
- ❖ Total net position of governmental activities decreased by \$4,844,338.
- ❖ The School had total expenses of \$10,833,410, of which only \$1,960,052 was offset by program specific charges for services, grants or contributions. General revenues of \$8,307,855 consisted of Federal and State Aid of \$6,985,112, property taxes of \$454,213, and other revenue of \$868,530.
- ❖ The General Fund had \$8,187,117 in revenues, \$8,498,214 in expenditures. The General Fund's balance decreased by \$328,099 over 2014, which included interest of \$527 transferred in from the capital projects fund and a transfer out to Food Service, in the amount of \$17,529. This decrease was anticipated by the Board of Trustees.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Camden's Promise Charter School, Inc. as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School, presenting both an aggregate view of the School's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Camden's Promise Charter School, Inc., the General Fund is by far the most significant fund.

Reporting the School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School to provide programs and activities, the view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School as a whole, the financial positions of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include property tax base of the School's resident districts, current laws in New Jersey concerning revenue allocations, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity and includes the meal service of Camden's Pride Charter School, Camden's Promise Charter School and Camden Academy Charter High School, Inc.

Reporting the School's Most Significant Funds

Fund Financial Statements

The analysis of the School's major (all) funds begins on page 21. Fund financial reports provide detailed information about the School's major funds. The School uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School's most significant funds. The School's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The Charter School as a Whole

Recall that the Statement of Net Position provides the perspective of the School as a whole.

Table 1 provides a summary of the School's net position for the years ended in 2015 and 2014, which are the first two years that a comparative presentation are available under the GASB reporting format.

Table 1
Net Position

	<u>2015</u>	<u>2014</u>
Assets		
Current and Other Assets	\$ 2,157,350	\$ 2,519,227
Capital Assets, Net	2,312,534	6,830,909
	<u>4,469,884</u>	<u>9,350,136</u>
Total Assets		
	<u>32,300</u>	<u>24,712</u>
Deferred Outflows of Resources		
Liabilities		
Other Liabilities	709,491	891,947
	<u>709,491</u>	<u>891,947</u>
Total Liabilities		
	<u>185,980</u>	
Deferred Inflows of Resources		
Net Position		
Investment in Capital Assets, Net of Debt	2,312,534	6,830,909
Restricted	271,875	1,208,685
Unrestricted	1,022,304	443,307
	<u>3,606,713</u>	<u>8,482,901</u>
Total Net Position	<u>\$ 3,606,713</u>	<u>\$ 8,482,901</u>

Table 2 shows the changes in net position from fiscal year's 2015 and 2014.

Table 2
Changes in Net Position

	<u>2015</u>	<u>2014</u>
Revenues		
Program Revenues		
Charges for Services	\$ 600,145	\$ 559,841
Operating Grants and Contributions	1,359,907	1,359,880
General Revenues		
Property Taxes	454,213	367,951
Grants and Entitlements	6,985,112	6,034,502
Other	868,530	1,358,828
Total Revenues	<u>10,267,907</u>	<u>9,681,002</u>
Program Expenses		
Instruction	3,555,822	3,035,578
Support Services		
General Administration, School Administration, Business Operations and Maintenance of Facilities	1,831,833	1,816,954
Pupil Transportation	3,345	10,915
Employee Benefits	2,281,208	1,490,256
Food Service	978,174	781,701
Other	373,319	406,432
Total Expenses	<u>10,833,410</u>	<u>9,002,659</u>
Fixed Asset Adjustment	<u>(4,310,685)</u>	
Increase (Decrease) in Net Position	<u>\$ (4,876,188)</u>	<u>\$ 678,343</u>

Governmental Activities

The School's total revenue for the fiscal year ended June 30, 2015 was \$10,267,907, of which governmental revenues were \$8,290,168. As a Charter School, voter approval for the School operations is not required in New Jersey. Property taxes made up 5.5 % percent of revenues for governmental activities for the Camden Academy Charter High School, Inc. for fiscal year 2015. Federal, state and local grants accounted for another 84.3% and miscellaneous revenue accounted for 10.2%. The School's total expenses were \$10,833,410, of which the net cost of all governmental programs and services was \$8,823,821. Instruction comprises 36.1% of governmental expenses.

Business-Type Activities

Revenues for the School's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$31,850. Expenses were \$978,174.
- ❖ Charges for services represent \$600,145 of revenue. This represents amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$328,492.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School's resident district taxpayers by each of these functions.

Table 3

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Instruction	\$ 3,555,822	\$ 3,251,913	\$ 3,035,578	\$ 2,748,874
Support Services				
General Administration, School				
Administration, Business	1,831,833	1,654,173	1,816,954	1,615,316
Operation and Maintenance				
of Facilities	1,809,709	1,809,709	1,460,823	1,460,823
Pupil Transportation	3,345	3,345	10,915	10,915
Employee Benefits	2,281,208	1,731,362	1,490,256	898,934
Other	373,319	373,319	406,432	406,432
Total Expenses	\$ 9,855,236	\$ 8,823,821	\$ 8,220,958	\$ 7,141,294

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to liabilities of the School.

Other includes unallocated depreciation and amortization.

The School's Funds

Information about the School's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general funds, special revenue funds and capital projects fund presented in the fund-based statements) had total revenues of \$8,731,011 and expenditures of \$9,041,581. The net positive/negative change in fund balance for the year resulted in an decrease of \$328,099. This shows that the School did not meet current operating costs for the current year.

As demonstrated by the various statements and schedules included in the financial section of this report, the School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds, including capital projects, for the fiscal year ended June 30, 2015 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 1,322,585	\$ 15.1%	\$ (403,965)	\$ -27.8%
State Sources	6,865,059	78.6%	292,018	4.4%
Federal Sources	543,367	6.3%	2,242	0.4%
Total	<u>\$ 8,731,011</u>	<u>\$ 100%</u>	<u>\$ (109,705)</u>	<u>\$ -1.3%</u>

The increase in Local Sources is attributed to an increase in local tax levy of \$86,262 and decreases in various miscellaneous revenues of \$490,227.

The increase in State Sources is attributed to the increase general fund state aid and on-behalf social security reimbursements and pension contributions of \$292,018.

The increase in Federal Sources is attributed to various grant award funding.

The following schedule presents a summary of general fund, special revenue fund and capital projects fund expenditures for the fiscal year ended June 30, 2015.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 3,555,822	39%	\$ 520,244	17.1%
Undistributed expenditures	5,338,475	59%	559,527	11.7%
Capital Outlay	147,284	2%	(286,673)	-66.1%
Total	\$ 9,041,581	100%	\$ 793,098	9.6%

The increase in Current – Instruction is attributed to increases in teacher salaries costs of \$298,201 and other instructional costs of \$204,838, and an increase in Special Revenue Fund expenditures of \$17,205.

The increase in Current – Undistributed Expenditures is attributed to increases in school administrative services of \$101,485, plant operations and maintenance of \$348,886 and employee benefit costs of \$203,332, offset by decreases in general administrative services of \$86,606 and pupil transportation of \$7,570.

The decrease in capital outlay is attributed to decreased capital spending this year related to the transfer of capital assets to the Charter School Network, Inc.

General Fund Budgeting Highlights

The School's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2015, the School amended its General Fund budget as needed. The School uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the School's final budget for the general fund anticipated that revenues and expenditures would roughly equal, with surplus use of \$10,821, the actual results for the year shows an excess of expenses over revenue of \$328,099.

- ❖ Actual revenues were \$174,760 more than expected, which includes the on-behalf pension and social security reimbursement of \$648,482.

- ❖ The actual expenditures were lower than expected in various line items in the total amount of \$195,673, which includes on-behalf pension and social security reimbursement of \$648,482.

Capital Assets

At the end of the fiscal year 2015, the School had \$2,312,534 invested in leasehold improvements, machinery and equipment, and Vehicle. Table 4 shows fiscal 2015 balances compared to 2014.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2015</u>	<u>2014</u>
Construction in Progress - Leasehold Imp. \$	\$	
Leasehold Improvement	1,982,209	2,212,272
Building	108,822	4,491,744
Machinery and Equipment	216,791	112,756
Vehicle	4,712	14,137
Totals	<u>\$ 2,312,534</u>	<u>\$ 6,830,909</u>

Overall, capital assets decreased \$4,518,375 from fiscal year 2014 to fiscal year 2015. The decrease was attributed additions of \$172,190, offset by depreciation of \$379,880 and the transfer of \$4,310,685 in fixed assets to the Camden's Charter School Network.

Operating Leases

The Charter School currently has three outstanding building lease agreements, as tenant, with the Camden's Charter School Network Inc. Stipulated in each lease agreement, there is an automatic renewal provision after five years at the end of the 2019-20 School Year. In addition, the Charter School has lease agreements for seven copy machines through the 2019-20 School Year.

For the Future

The Camden's Promise Charter School, Inc. is presently in good financial condition. Continued optimum enrollment in the School will provide financial stability into the future.

As a charter school, it is a concern of the Board of Trustees of the Camden's Promise Charter School, Inc. as to how future budgets will be financed. To address this issue the administrator closely monitors instructional and support expenditures as well as administrative costs of the School.

In addition, the Board of Trustees will continue to maintain suitable facilities for the needs of the students. In conclusion, the Camden's Promise Charter School, Inc. continues to be committed to sound financial planning, budgeting, and internal financial controls in order to meet the challenges of the future.

Contacting the School's Financial Management

This financial report is designed to provide our citizens, taxpayers and oversight entities with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Joseph Conway, School Administrator at Camden's Promise Charter School, Inc., Camden, N.J.

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL - WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the School. These statements include the financial activities of the overall School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the School.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,633,531	\$ (135,877)	\$ 1,497,654
Receivables, Net	153,175	245,125	398,300
Due from Other Funds	11,070		11,070
Inventory		12,921	12,921
Restricted Assets:			
Cash and Cash Equivalents	237,405		237,405
Capital Assets, Net (Note 5):	2,272,555	39,979	2,312,534
Total Assets	<u>4,307,736</u>	<u>162,148</u>	<u>4,469,884</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	32,300		32,300
LIABILITIES			
Accounts Payable	134,253	93,793	228,046
Payable to Local Government	2,929		2,929
Net Pension Liability	427,946		427,946
Unearned Revenue	50,248	322	50,570
Total Liabilities	<u>615,376</u>	<u>94,115</u>	<u>709,491</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	185,980		185,980
NET POSITION			
Invested in Capital Assets, Net of Related Debt	2,272,555	39,979	2,312,534
Restricted for:			
Capital Projects	196,875		196,875
Other Purposes	75,000		75,000
Unrestricted	994,250	28,054	1,022,304
Total Net Position	<u>\$ 3,538,680</u>	<u>\$ 68,033</u>	<u>\$ 3,606,713</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 3,555,822	\$ -	\$ 303,909	\$ (3,251,913)	\$ -	\$ (3,251,913)
Support Services:						
General and Business Administrative Services	939,099			(939,099)		(939,099)
School Administrative Services	892,734		177,660	(715,074)		(715,074)
Plant Operations and Maintenance	1,809,709			(1,809,709)		(1,809,709)
Pupil Transportation	3,345			(3,345)		(3,345)
Employee Benefits	2,281,208		549,846	(1,731,362)		(1,731,362)
Unallocated Depreciation and Amortization	373,319			(373,319)		(373,319)
Total Governmental Activities	9,855,236		1,031,415	(8,823,821)		(8,823,821)
Business-type Activities:						
Food Service	978,174	600,145	328,492		(49,537)	(49,537)
Total Business-type Activities	978,174	600,145	328,492		(49,537)	(49,537)
Total Primary Government	\$ 10,833,410	\$ 600,145	\$ 1,359,907	(8,823,821)	(49,537)	(8,873,358)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				454,213		454,213
Federal and State Aid not Restricted				6,985,112		6,985,112
Miscellaneous Income				866,630		866,630
Investment Earnings				1,742	158	1,900
Transfers				(17,529)	17,529	
Adjustment to Fixed Assets				(4,310,685)		(4,310,685)
Total General Revenues, Special Items, Extraordinary Items and Transfers				3,979,483	17,687	3,997,170
Change in Net Position				(4,844,338)	(31,850)	(4,876,188)
Net Position—Beginning (Restated)				8,383,018	99,883	8,482,901
Net Position—Ending				\$ 3,538,680	\$ 68,033	\$ 3,606,713

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

CAMDEN'S PROMISE CHARTER SCHOOL, INC.

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 938,402	\$ 197,485	\$ 128,702	\$ 1,264,589
Cash Equivalent with Fiscal Agents			237,405	237,405
Due from Other Funds	777,980			777,980
State Aid Receivable	8,107			8,107
Receivables from Other Governments	25,783	110,827		136,610
Accounts Receivable - Other	8,458			8,458
Total Assets	<u>\$ 1,758,730</u>	<u>\$ 308,312</u>	<u>\$ 366,107</u>	<u>\$ 2,433,149</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 62,752	\$ 71,501	\$	\$ 134,253
Due to Other Funds		228,736	169,232	397,968
Unearned Revenue	42,173	8,075		50,248
Payable to Local Governments	2,929			2,929
Total Liabilities	<u>107,854</u>	<u>308,312</u>	<u>169,232</u>	<u>585,398</u>
Fund Balances:				
Restricted For:				
Escrow Fund	75,000			75,000
Assigned To:				
Year-end Encumbrances	301,838			301,838
Designated for Subsequent Year's Expenditures	160,202			160,202
Unassigned, Reported In:				
General Fund	1,113,836		196,875	1,310,711
Total Fund Balances	<u>1,650,876</u>		<u>196,875</u>	<u>1,847,751</u>
Total Liabilities and Fund Balances	<u>\$ 1,758,730</u>	<u>\$ 308,312</u>	<u>\$ 366,107</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Long Term Net Pension Liability	(427,946)
Deferred Pension Outflows	32,300
Deferred Pension Inflows	(185,980)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,690,078 and the accumulated depreciation is \$1,417,523 (Note 5).

2,272,555

Net position of governmental activities \$ 3,538,680

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources:				
Local Tax Levy	\$ 454,213	\$	\$	\$ 454,213
Miscellaneous	867,845		527	868,372
Total - Local Sources	1,322,058		527	1,322,585
State Sources	6,865,059			6,865,059
Federal Sources		543,367		543,367
Total Revenues	8,187,117	543,367	527	8,731,011
EXPENDITURES				
Current:				
Regular Instruction	3,251,913	303,909		3,555,822
Support:				
General Administrative Services	939,099			939,099
School Administrative Services	715,074	177,660		892,734
Plant Operations and Maintenance	1,809,709			1,809,709
Pupil Transportation	3,345			3,345
Employee Benefits	1,631,790	61,798		1,693,588
Capital Outlay	147,284			147,284
Total Expenditures	8,498,214	543,367		9,041,581
Excess (Deficiency) of Revenues over Expenditures	(311,097)		527	(310,570)
OTHER FINANCING SOURCES (USES)				
Transfers	(17,002)		(527)	(17,529)
Total Other Financing Sources and (Uses)	(17,002)		(527)	(17,529)
Net Change in Fund Balances	(328,099)			(328,099)
Fund Balance—July 1	1,978,975		196,875	2,175,850
Fund Balance—June 30	\$ 1,650,876	\$	\$ 196,875	\$ 1,847,751

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2) \$ (328,099)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (373,319)	
Adjustment to Fixed Assets	(4,310,685)	
Capital outlays	147,284	
	<hr/>	(4,536,720)

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.

20,481

Change in net position of governmental activities (A-2) \$ (4,844,338)

The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash	\$ 233,065	\$ 233,065
Accounts Receivable	245,125	245,125
Inventories	12,921	12,921
	<hr/>	<hr/>
Total Current Assets	491,111	491,111
Fixed Assets:		
Equipment	103,642	103,642
Accumulated Depreciation	(63,663)	(63,663)
	<hr/>	<hr/>
Total Fixed Assets	39,979	39,979
	<hr/>	<hr/>
Total Assets	531,090	531,090
	<hr/>	<hr/>
LIABILITIES		
Current Liabilities:		
Accounts Payable	93,793	93,793
Interfund Payable	368,942	368,942
Unearned Revenue	322	322
	<hr/>	<hr/>
Total Current Liabilities	463,057	463,057
	<hr/>	<hr/>
NET POSITION		
Net Position		
Unrestricted	68,033	68,033
	<hr/>	<hr/>
Total Net Position	\$ 68,033	\$ 68,033
	<hr/> <hr/>	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs:	\$ 12,829	\$ 12,829
Satellite Operation Revenue	587,316	587,316
Total Operating Revenue:	600,145	600,145
Operating expenses:		
Cost of Sales	426,002	426,002
Salaries	273,299	273,299
Employee Benefits	35,152	35,152
Management Fee	97,806	97,806
Supplies & Materials	45,858	45,858
Other Costs	93,496	93,496
Depreciation	6,561	6,561
Total Operating Expenses	978,174	978,174
Operating Income (loss)	(378,029)	(378,029)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	3,988	3,988
Federal Sources:		
National School Breakfast Program	59,087	59,087
National School Lunch Program	195,429	195,429
National School Lunch Program - Snacks	17,068	17,068
Food Distribution Program	59,056	59,056
Board Subsidy	17,529	17,529
Prior Year Receivable Adjustment	(6,136)	(6,136)
Interest	158	158
Total Non-operating Revenues (Expenses)	346,179	346,179
Change in Net Position	(31,850)	(31,850)
Total Net Position—Beginning	99,883	99,883
Total Net Position—Ending	\$ 68,033	\$ 68,033

The accompanying Notes to Financial Statements are an integral part of this statement.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 600,145	\$ 600,145
Payments to employees	(273,299)	(273,299)
Payments for employee benefits	(35,152)	(35,152)
Payments to suppliers	(423,580)	(423,580)
Net cash provided by (used for) operating activities	(131,886)	(131,886)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Board Subsidy	17,529	17,529
Prior Year Receivable Adjustment	59,056	59,056
Cash Received from State and Federal Reimbursements	275,572	275,572
Prior Year Revenue Adjustment	(6,136)	(6,136)
Net cash provided by (used for) non-capital financing activities	346,021	346,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(24,906)	(24,906)
Net cash provided by (used for) capital and related financing activities	(24,906)	(24,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	158	158
Net cash provided by (used for) investing activities	158	158
Net increase (decrease) in cash and cash equivalents	189,387	189,387
Balances—beginning of year	43,678	43,678
Balances—end of year	\$ 233,065	\$ 233,065
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (378,029)	\$ (378,029)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	6,561	6,561
(Increase) decrease in accounts receivable	(665)	(665)
(Increase) decrease in other interfund receivable	30,698	30,698
(Increase) decrease in intergovernmental accounts receivable	(12,393)	(12,393)
(Increase) decrease in inventories	2,031	2,031
Increase (decrease) in accounts payable	(24,412)	(24,412)
Increase (decrease) in interfund payable	247,265	247,265
Increase (decrease) in intergovernmental accounts receivable	(187)	(187)
Increase (decrease) in unearned revenue	(2,755)	(2,755)
Total adjustments	246,143	246,143
Net cash provided by (used for) operating activities	\$ (131,886)	\$ (131,886)
Noncash Noncapital Financing Activities:		
During the year, \$56,301 of food commodities was received from the U. S. Department of Agriculture		

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 21,842	\$ 11,069
Total Assets	<u>21,842</u>	<u>11,069</u>
LIABILITIES		
Accounts Payable	378	
Interfund Payable - General Fund	7,632	3,438
Due to Student Groups		6,468
Payroll Deductions and Withholding		1,163
	<u>8,010</u>	<u>\$ 11,069</u>
NET POSITION		
Unreserved for Unemployment Claims	<u>\$ 13,832</u>	

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Private Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Payroll Deductions	\$ 23,202
Total Contributions	<u>23,202</u>
Investment Earnings:	
Interest	25
Total Investment Earnings	<u>25</u>
DEDUCTIONS	
Unemployment Claims	<u>19,599</u>
Total Deductions	<u>19,599</u>
Change in Net Position	3,628
Net Position—Beginning of the Year	<u>10,204</u>
Net Position—End of the Year	<u><u>\$ 13,832</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. DESCRIPTION OF THE CHARTER SCHOOL AND REPORTING ENTITY

The Camden's Promise Charter School, Inc is located in the County of Camden, State of New Jersey and was incorporated on February 5, 1998. It was created on through the approval of its New Jersey Charter Schools Application by the State of New Jersey, Department of Education. As a Charter School, the Camden's Promise Charter School, Inc. functions independently as an educational institution through a Board of Trustees (the "Board"). In accordance with the by laws of the Charter School the Board is to consist of not less than 3 and not more than 14 individuals. At all times, constituency of the voting members of the Board of Trustees shall consist of 2 members nominated and elected by the Board selected from the Parent Council and two members nominated and elected by the Board of Trustees representing community leaders at large (which may include representatives from the Neighborhood Center, Inc.) The school administrator and a teacher elected by the teachers from the school are ex-officio members of the Board of Trustees without vote, and limited to the number of terms they may serve consecutively.

A. Reporting Entity:

The purpose of the Charter School during the 1998-99 school year was to educate 6th grade students. In the 1999-2000 school-year, 100 7th grade students were added. In the 2000-2001 school-year, 96 8th grade students were added. A 5th grade was added in the 2004-2005 school year. The one school was operated with an enrollment at June 30, 2015 of 461. A school business administrator and a board secretary were appointed by the Board and are responsible for the administrative control of the Charter School.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Charter School holds the corporate powers of the organization
- the Charter School appoints a voting majority of the organization's board
- the Charter School is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Charter School
- there is a fiscal dependency by the organization on the Charter School

There were no additional entities required to be included in the reporting entity, under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Camden's Promise Charter School, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Charter School's accounting policies are described below.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and is scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

Recently Issued and Adopted Accounting Pronouncements:

The district adopted the following GASB statements:

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The adoption of GASB 68, will impact the financial statements of the School District's.
- In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the School District's.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recently Issued and Adopted Accounting Pronouncements (Continued):

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 69, *Government Combinations and Disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The District is currently evaluating the impact of the adoption of this Statement on the School District's financial statements, although no impact is expected.

A. Basis of Presentation:

The School's basic financial statements consist of School-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Charter School-wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall School, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the School. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activities of the School at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the School and for each function of the School's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses—expenses of the School related to the administration and support of the School's programs, such as personnel and accounting—are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation (Cont'd):

Fund Financial Statements: During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the School's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among School financial reporting.

B. Fund Accounting:

The accounts of the Charter School are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds and accounts are grouped, in the financial statements in this report:

GOVERNMENTAL FUND TYPE

General Fund - The general fund is the general operating fund of the School and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for instructional and non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the Camden's Promise Charter School, Inc. includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmentalities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from the "local levy" local share - charter school aid, "local levy" state share - charter school aid, categorical aid, revenues from other sources and appropriated fund balance. Expenditures are those, which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund - The Charter School accounts for the proceeds of specific revenue sources from the state and federal government (other than expendable trusts, major capital projects or enterprise funds) and local appropriations that is legally restricted to expenditures for specified purposes in the special revenue fund.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

GOVERNMENTAL FUND TYPE (CONT'D)

Capital Projects Fund - The Charter School does not currently have any open capital projects, and, therefore, the accounting system of the Charter School does not include any capital projects other than to account for the escrow account of \$196,875, regarding the PAC building lease.

Debt Service Fund - The accounting system of the Charter School does not include a Debt Service fund in accordance with state statute.

PROPRIETARY FUND TYPE

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the Charter School:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the School is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The School's Enterprise Fund is comprised of a Food Service Fund managed by an outside food service management company. In addition, the state and federal reimbursement activities as well as the operating costs of the Camden's Academy Charter High School, Inc. were maintained within Food Service Fund of the Camden's Promise Charter School, Inc.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is separated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Internal Service Fund - The Camden's Promise Charter School does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the Charter School:

Trust and Agency Funds - The trust and agency funds are used to account for assets held by the Charter School in a Trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Nonexpendable Trust Fund - A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the Charter School is under obligation to maintain the trust principal. The accounting system of the Charter School does not include a nonexpendable trust fund.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Funds consists of an Unemployment Compensation Insurance Fund

Agency Funds (Payroll and Student Activities Fund) - Agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. The accounting system of the Charter School includes a payroll fund and a student activities fund.

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Charter School-wide, Proprietary and Fiduciary Fund Financial Statements: The School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its Charter School the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus (Cont'd):

The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the School follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The School's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The Charter school is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable". The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

D. Budgets/Budgetary Control:

Charter School budgets are prepared annually and are submitted to the Department of Education for review. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are mandated by the Department of Education and are detailed in the Charter School Budget Summary form that is part of the New Jersey Charter School Application and are defined as the lowest (most specific) level of detail referenced in NJAC 6:20-2A (m) 1. Transfers of appropriations may be made by Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control (Cont'd):

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are to be maintained to allow for the presentation of GAAP basis financial reports.

There is a reconciliation of the special revenue funds from the budgetary basis of accounting, as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds, to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. (See Exhibit C-3).

E. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. The budget, as detailed on Exhibit B-2, includes all amendments to the adopted budget, if any.

Open encumbrances in the special revenue fund for which the Charter School has received advances (if any) are reflected in the balance sheet as unearned revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

The Charter School had \$301,838 of fund balance reserved for encumbrances at June 30, 2015.

F. Tuition:

The Charter School Program Act of 1995 specifically prohibits a charter school from charging tuition to students who reside in the district of the charter school or are non-resident students.

G. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School, and that are due within one year.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

I. Assets, Liabilities and Equity:

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School and that are due within one year.

Inventories

On School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015. The value of federal commodities included in food, noted on the next page, is \$322.

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$	10,329
Supplies		2,592

Total	\$	12,921

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

Capital Assets

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2015 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the Statement of Net Position. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets (Continued)

Capital assets are depreciated in the School-wide financial statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	30-50
Building Improvements	20
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

J. Compensated Absences:

Compensated absences are those for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School and its employees, is accrued as the employees earn the rights to the benefits. In accordance with Statement No. 16 of the (GASB) entitled "Accounting for Compensated Absences", Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School and its employees, are accounted for in the period in which such services are rendered or in which such events take place and will be calculated in accordance with formulas outlined in the Charter School agreements with any collective bargaining units and included in the budget of the current year of payment.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. There currently is no formal policy concerning payment of accumulated absences and no liability to be reported in the Statement of Net Position.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them. As of June 30, 2015, no liability existed for compensated absences in the Food Service Fund because there are no employees paid out of this fund. The Food Service employees are provided and paid by an outside management company, Nutri-Serve Food Management, Inc.

K. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash, which has been received but not yet earned (see Note 2(B) regarding the special revenue fund).

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

M. Management Estimates:

In order for the preparation of basic financial statements to be in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the School-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

O. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

P. Charter School Funding:

The Charter School is largely funded on its enrollment through the local levy and categorical aid, which follows a particular student. Funding flows from the State to the district Board of Education and then to the Charter School. In accordance with N.J.S.A. 18A:36A-12 "the school district of residence shall pay directly to the Charter School for each student enrolled in the charter school who resides in the district a presumptive amount equal to 90% of the local tax levy budget per pupil for the specific grade level in the district. At the discretion of the commissioner and at the time the charter is granted, the commissioner may require the school district of residence to pay directly to the charter school for each student enrolled in the charter school an amount equal to less than 90%, or an amount, which shall not exceed 100% of the local levy budget per pupil for the specific grade in the district of residence. The per pupil amount paid to the charter school shall not exceed the local levy budget per pupil for the specific grade level in the district in which the charter school is located. The district of residence shall also pay directly to the charter school any categorical aid attributable to the student, provided the student is receiving appropriate categorical services, and any federal funds attributable to the student".

During the school year, a charter school shall conduct an enrollment count on October 15, and the last day of the school year. A charter school shall submit each count through a summary school register for the purposes of determining average daily enrollment. Based on these counts, a charter school's revenue is adjusted accordingly.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Q. Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

R. Fund Balance Reserves:

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

S. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School Charter School, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

T. Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School, available means within sixty days of the fiscal year end. Nonexchange transactions, in which the Charter School receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

U. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Charter School's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

V. Allocation of Indirect Expenses:

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On Charter School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

X. Lease Acquisition Costs:

As part of the long-term lease agreement, providing for the use of the new school building constructed and owned by the Camden County Improvement Authority, payments constituting professional lease acquisition and other related professional fees were previously amortized over the life of the lease. In accordance with GASB Statement No. 65, the June 30, 2013 Financial Statements were restated, to write off the previous balance in Unamortized Lease Issue Costs. All lease acquisition costs will be expensed in the future.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with a maturity of one year or less when purchased are stated at cost. All other investments are stated at fair value.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

New Jersey Schools are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey Schools.

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

As of June 30, 2015, cash and cash equivalents in the fund financial statements of the Charter School consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts	\$ 1,530,565
Certificate of Deposit	237,405
Total	<u>\$ 1,767,970</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits may not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2015, the Charter School's bank balance of \$1,922,897 was exposed to custodial credit risk as follows:

Insured	\$ 250,000
Uninsured and collateralized with securities held by pledging financial institutions	<u>1,672,897</u>
	<u>\$ 1,922,897</u>

New Jersey Cash Management Fund – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2015, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Camden's Promise Board of Trustees. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

During the fiscal year ended June 30, 2015, the School appropriated all of the funds for non-instructional services. There is no balance in Capital Reserve as of June 30, 2015.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5. CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land				
Construction in Progress - Leasehold Imp				
Total Capital Assets not being Depreciated				
Leasehold Improvements	3,229,849	27,277	(133,763)	3,123,363
Building	5,276,098		(5,157,383)	118,715
Machinery and Equipment	441,789	120,007	(206,156)	355,640
Vehicle	92,360			92,360
Totals at Historical Cost	<u>9,040,096</u>	<u>147,284</u>	<u>(5,497,302)</u>	<u>3,690,078</u>
Less Accumulated Depreciation for:				
Leasehold Improvements	(1,017,577)	(259,662)	136,085	(1,141,154)
Building	(784,354)	(69,974)	844,435	(9,893)
Equipment	(350,667)	(34,258)	206,097	(178,828)
Vehicle	(78,223)	(9,425)		(87,648)
Total Accumulated Depreciation	<u>(2,230,821)</u>	<u>(373,319)</u>	<u>1,186,617</u>	<u>(1,417,523)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>6,809,275</u>	<u>(226,035)</u>	<u>(4,310,685)</u>	<u>2,272,555</u>
Government Activities Capital Assets, Net	<u><u>6,809,275</u></u>	<u><u>(226,035)</u></u>	<u><u>(4,310,685)</u></u>	<u><u>2,272,555</u></u>
	To A-1			To A-1
Business-type Activities - Equipment	78,736	\$ 24,906		103,642
Less Accumulated Depreciation	(57,102)	(6,561)		(63,663)
Business-type Activities Capital Assets, Net	<u><u>\$ 21,634</u></u>	<u><u>\$ 18,345</u></u>		<u><u>\$ 39,979</u></u>

Depreciation expense was charged to governmental functions
as follows:

Unallocated	<u><u>\$ 373,319</u></u>
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NOTE 6. LONG-TERM DEBT

There are no Long-term liabilities for the year ended June 30, 2015.

Capital Leases – There are no capital leases as of June 30, 2015.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS

Description of Plans - All required employees of the Charter School are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate.

The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$768,535 and revenue of \$768,535 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to certain qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (CONT'D)

The School District is billed annually for its normal contribution plus any accrued liability.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$24,712.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	13,457	
Net difference between projected and actual earnings on pension plan investments		25,503
Changes in proportion and differences between District contributions and proportionate share of contributions District contributions subsequent to the measurement date	18,843	160,477
Total	\$ 32,300	\$ 185,980

\$18,843 reported as deferred outflows of resources related to pensions resulting from charter school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at June 30, 2013 and 2014 are as follows:

		6/30/2014		6/30/2013
Collective deferred outflows of resources	\$	1,032,618,058	\$	
Collective deferred inflows of resources		1,726,631,532		
Collective net pension liability		14,665,837,859		15,190,834,283
District's Proportion		0.0022857000		0.0032797200

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (CONT'D)

The School District's contribution, equal to the required contribution for each fiscal year, was as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
2015	\$ 4,332	\$ 14,511	\$ 18,843		18,843
2014	7,308	20,210	27,518	2,806	24,712
2013	7,329	12,166	19,495	1,480	18,015

Vesting and Benefit Provisions - the vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

Contribution Requirements - the contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost - of - living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Charter School is a non-contributing employer of the TPAF.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7. PENSION PLANS (CONT'D)

Contribution Requirements (CONT'D)

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/15	\$ 18,843	100 %	\$ 18,843
6/30/14	27,518	100 %	27,518
6/30/13	19,495	100 %	19,495

Three Year Trend Information for TPAF (Paid on-behalf of the Charter School)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/15	\$ 415,123	100 %	\$ 0
6/30/14	305,691	100 %	0
6/30/13	344,438	100 %	0

During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$160,434 to the TPAF for pension contributions and \$254,689 for normal and post-retirement benefits on behalf of the School. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Charter School \$233,359 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

NOTE 8. POST-RETIREMENT BENEFITS

The amount, if any, would be included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27. The District does not provide for compensated absences. P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8. POST-RETIREMENT BENEFITS (CONT'D)

It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c 62. Funding of post retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 9. DEFERRED COMPENSATION

The Board currently offers its employees a choice of Equivest as a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b).

NOTE 10. FUND BALANCE

General Fund - Of the \$1,650,876 in General Fund balance at June 30, 2015, \$75,000 is restricted in an Escrow Account: \$301,838 is committed to Encumbrances, \$160,202 is assigned and anticipated as revenue on the 2015-16 budget to support the subsequent year's budget and \$1,113,836 is unassigned.

NOTE 11. LITIGATION

In the opinion of the administration and legal counsel, the Charter School is not involved as a defendant in any legal proceedings of which the potential losses, if any, would not be material to the financial statements. There exists, however, one claim, which is being handled by the Charter School's Insurance Company.

NOTE 12. RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The Charter School maintains commercial insurance coverage for property, liability, student accident and surety bonds.

New Jersey Unemployment Compensation Insurance - The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the Reserve method. Under this plan, the Charter School is required to contribute a percentage of wages to the New Jersey Unemployment Trust Fund on a quarterly basis.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 12. RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of Charter School contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Charter School's expendable trust fund for the current and prior years:

<u>Fiscal Year</u>	<u>Charter School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance June 30</u>
2014-2015	\$	\$ 23,227	\$ 19,599	\$ 13,832
2013-2014		4,593	7,632	10,204
2012-2013		6,765	7,977	13,243
2011-2012	14,547	9,993	21,060	14,455

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 777,980	\$
Special Revenue Fund		228,736
Capital Projects Fund		169,232
Enterprise Fund		368,942
Unemployment Trust Fund		7,632
Trust and Agency Fund		3,438
Total	\$ 777,980	\$ 777,980

NOTE 14. RECEIVABLES

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental				
State	\$ 8,107	\$	\$ 897	\$ 9,004
Federal		110,827	45,268	156,095
Other	34,241		198,960	233,201
Totals	\$ 42,348	\$ 110,827	\$ 245,125	\$ 398,300

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 15. OPERATING LEASES

Prior to the transfer of buildings from Camden's Promise Charter School to the Camden's Charter School Network, the following leases were in effect:

Lease of Additional Building Space – PAC Building

The Camden Academy Charter High School had been subletting space from the Camden's Promise Charter School, Inc, (Middle School) with payments beginning in the 2003-04 school year. The school construction was funded by the Camden County Improvement Authority (CCIA). The primary parties to the lease were the Camden's Promise Charter School (lessor) and the CCIA (lessee), which issued the bonds, partially guaranteed by the County of Camden. The lease payments made by Camden Academy Charter High School, Inc. were equal to one half of the amount the debt service payments made by the CCIA to the Bondholders. This lease was recast during May 2009, resulting from the defeasance of \$575,000, which was available as unspent escrow funds in the original CCIA funding. Camden's Academy Charter High School made payments of \$362,600 to Camden's Promise Charter School through December 2014.

Lease of Additional Building Space – Pride Building Project

A formal lease agreement, between the school and the Camden County Improvement Authority, whereby the construction of a new school was being funded by the Camden County Improvement Authority (CCIA). The primary parties to the lease were the Camden's Promise Charter School (lessor) and the CCIA (lessee), which issued the bonds partially guaranteed by the County of Camden with payments beginning in the 2011-12 school year. The lease payments were equal to the amount of debt service payments made by the CCIA to the Bondholders.

The Camden's Pride Charter School, Inc. (K-4 Elementary) had been subletting space from the Camden's Promise Charter School, Inc, (Middle School) through June 30, 2014. Camden's Pride Charter School made payments of \$227,880 to Camden's Promise Charter School through December 2014.

Lease of Building Space – Rosedale Property

The Camden's Promise Charter High School was leasing space in the Rosedale Property at an annual cost of \$225,000, through required payments through the 2015-16 Fiscal Year. In addition, Camden's Promise Charter High School had sublet space in the Rosedale School to the KATZ Charter School during the 2012-13 School Year. KATZ Charter School made payments of \$160,000 to Camden's Promise Charter School through December 2014.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 15. OPERATING LEASES (CONT'D)

The following leases are currently in effect, as of the audit report date:

Lease of Building Space - Payable to Camden's Charter School Network

On February 6, 2015, Serial Bonds were issued by the CCIA on behalf of the Camden's Charter School Network, for the purpose of funding various capital projects, as well as to refund the balance of debt on buildings transferred from Camden's Academy Charter High School and Camden's Promise Charter School to the Camden's Charter School Network.

As part of the transfer of buildings and related balance of debt, three lease agreements between Camden's Academy Charter High School and Camden's Charter School Network went into effect, for the purpose of renting building space from the various properties now owned by Camden's Charter School Network.

As stipulated in the lease agreements, there is an automatic renewal provision after five years at the end of the 2019-20 School Year.

	<u>Building Location</u>
Lease #1	- 3098 Pleasant Avenue - 820 Lois Avenue - 897 N. 31st Street
Lease # 2	- 250 Federal Street
Lease # 3	- 879 Beideman Avenue

The following represents the future minimum lease payments associated with leases outstanding, as of June 30, 2015, along with a description of the building location per lease:

	<u>Building Lease #1</u>	<u>Building Lease #2</u>	<u>Building Lease #3</u>	<u>Copy Machines</u>	<u>Total</u>
2015-16	\$ 1,096,500	\$ 195,000	\$ 175,000	\$ 23,470	\$ 1,489,970
2016-17	1,096,500	195,000	175,000	23,470	1,489,970
2017-18	1,129,395	200,850	180,250	23,470	1,533,965
2018-19	1,129,395	200,850	180,250	23,470	1,533,965
2019-20	1,129,395	200,850	180,250	7,823	1,518,318
2020-21	1,129,395	200,850	180,250		1,510,495
2021-22	1,129,395	200,850	180,250		1,510,495
2022-23	1,163,277	206,876	185,408		1,555,561
2023-24	1,163,277	206,876	185,408		1,555,561
2024-25	1,163,277	206,876	185,408		1,555,561
Total	\$ 11,329,806	\$ 2,014,878	\$ 1,807,474	\$ 101,703	\$ 15,253,861

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 16. RENTAL INCOME

The Camden Academy Charter High School had leased space in the original building maintained by the Camden's Promise Charter School, on a cost-per-pupil basis of \$1,530 for each of the 400 projected slots for its High School students enrolled. While the original lease cost for fiscal year 2014-15 was supposed to be \$612,000 payable in equal installments on December 14, February 15, April 15, and June 15, \$362,600 was payable through December 2014.

NOTE 17. SUBSEQUENT EVENTS

There were no subsequent events affecting the District between June 30 2015 and the Audit Report Date.

NOTE 18. RETRO ACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$8,985,125
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(626,819)
Net Deferred Outflows	<u>24,712</u>
Net Position as restated, July 1, 2014	<u>\$8,383,018</u>

End of Notes to Financial Statements

BUDGETARY COMPARISON SCHEDULES

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Revenue/ Expenditures</u>	<u>Variance Favorable/ (Unfavorable)</u>
REVENUES:					
"Local Tax Levy"- Local Share - Charter School Aid:					
City of Burlington	\$	\$	\$	\$ 11,129	\$ 11,129
Borough of Bellmawr				6,864	6,864
City of Camden	340,474		340,474	181,753	(158,721)
Cherry Hill Township				13,449	13,449
City of Gloucester				1,693	1,693
Pennsauken Township				176,708	176,708
Voorhees Township				21,856	21,856
Borough of Pine Hill				4,176	4,176
Borough of Woodlynne				8,082	8,082
Washington Township				6,802	6,802
Borough of Lawnside				21,701	21,701
Total - Local Share Tax Levy	340,474		340,474	454,213	113,739
Local Tax Levy- State Share - Charter School Aid:					
Equalization aid	5,717,408		5,717,408	5,818,261	100,853
Total - Local Levy Budget	6,057,882		6,057,882	6,272,474	214,592
Categorical Aids:					
Special Education	255,747		255,747	208,374	(47,373)
Security Aid	200,849		200,849	189,942	(10,907)
Total Categorical Aids	456,596		456,596	398,316	(58,280)
Other State Aid:					
On-Behalf TPAF Pension Contribution				160,434	160,434
On-Behalf TPAF Pension Post Retirement Medical				254,689	254,689
Reimbursed TPAF Social Security Contributions (Non-budgeted)				233,359	233,359
Total Other State Aid				648,482	648,482
Total State Aid	456,596		456,596	1,046,798	590,202
Revenue from Other Sources					
Interest on Bank Deposits				1,742	1,742
Rental of Facility	1,497,879		1,497,879	828,775	(669,104)
Miscellaneous				37,328	37,328
Total Revenue from Other Sources	1,497,879		1,497,879	867,845	(630,034)
TOTAL REVENUES	\$ 8,012,357	\$	\$ 8,012,357	\$ 8,187,117	\$ 174,760
EXPENDITURES:					
CURRENT EXPENSES:					
Regular Programs - Instruction:					
Salaries of Teachers - Grade 5	\$ 436,500	\$	\$ 436,500	\$ 436,500	\$
Salaries of Teachers - Grades 6-8	1,994,700	263,397	2,258,097	2,251,792	6,305
Regular Programs - Undistributed					
Instruction:					
Purchased Professional/ Educational Services	185,000	(107,453)	77,547	77,547	
General Supplies	260,000	168,235	428,235	424,557	3,678
Textbooks	80,000	(23,705)	56,295	52,438	3,857
Other Objects	10,000		10,000	9,079	921
TOTAL REGULAR PROGRAMS - INSTRUCTION	\$ 2,966,200	\$ 300,474	\$ 3,266,674	\$ 3,251,913	\$ 14,761

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2015
(CONTINUED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES:					
Support Services/General Administration:					
Salaries	\$ 477,000	\$ 54,031	\$ 531,031	\$ 531,029	\$ 2
Salaries Secretary and Clerical	144,000	(144,000)			
Other Purchased Professional Services		200,706	200,706	194,635	6,071
Total Benefit Costs	1,002,500	(1,002,500)			
Communications/Telephone	180,000	(63,279)	116,721	113,803	2,918
Purchased Professional and Technical Services	220,000	(220,000)			
Other Purchased Services		500	500		500
General Supplies	120,000	(25,864)	94,136	89,903	4,233
Miscellaneous Expenditures	10,000	(136)	9,864	9,729	135
Total Support Services/General Administration	2,153,500	(1,200,542)	952,958	939,099	13,859
Support Services/School Administration:					
Salaries	123,800	147,524	271,324	271,214	110
Purchased Professional and Technical Services	233,000	11,418	244,418	244,023	395
Other Purchased Services	175,000	(79,546)	95,454	93,643	1,811
Supplies and Materials	80,000	30,000	110,000	106,194	3,806
Transportation Other than to/from School	45,000	(45,000)			
Non-mandated Transportation-To and from School	5,000	(5,000)			
Other Objects	10,000	(10,000)			
Total Support Services/School Administration:	671,800	49,396	721,196	715,074	6,122
Rental of Land and Buildings					
Rent	994,598	417,830	1,412,428	1,409,358	3,070
Insurance	77,080	9,920	87,000	86,514	486
Energy	310,000	10,872	320,872	313,837	7,035
Total Operation and Maintenance of Plant Services	1,381,678	438,622	1,820,300	1,809,709	10,591
Student Transportation Services:					
Contracted Services (Home/School) Vendors		3,345	3,345	3,345	
Contracted Services (not Home/School) Vendors		5,000	5,000		5,000
Total Student Transportation Services		8,345	8,345	3,345	5,000
UNALLOCATED BENEFITS					
Other Retirement Contributions - PERS		33,948	33,948	33,948	
Health Benefits		964,819	964,819	949,360	15,459
TOTAL UNALLOCATED BENEFITS	\$	\$ 998,767	\$ 998,767	\$ 983,308	\$ 15,459

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2015
(CONTINUED)

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Expenditures</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>		<u>Favorable/ (Unfavorable)</u>
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
On-Behalf TPAF Pension Contribution	\$	\$	\$	\$ 160,434	\$ (160,434)
On-Behalf TPAF Pension Post Retirement Medical				254,689	(254,689)
Reimbursed TPAF Social Security Contributions (Non-budgeted)				233,359	(233,359)
Total Undistributed Expenditures	4,206,978	294,588	4,501,566	5,099,017	(597,451)
TOTAL EXPENDITURES - CURRENT EXPENSE	7,173,178	595,062	7,768,240	8,350,930	(582,690)
Capital Outlay					
Increase in Capital Reserve					
Undistributed Expenditures					
Total Equipment					
Facilities Acquisition & Construction Services					
Lease/Purchase - Principal	850,000	(226,191)	623,809	147,284	476,525
Buildings Other than Lease Purchase Agreements		301,838	301,838		301,838
Total Facilities Acquisition & Construction Services	850,000	75,647	925,647	147,284	778,363
Total Capital Outlay expenditures	850,000	75,647	925,647	147,284	778,363
TOTAL EXPENDITURES	8,023,178	670,709	8,693,887	8,498,214	195,673
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,821)	(670,709)	(681,530)	(311,097)	370,433
Other Financing Sources:					
Operating Transfer (Out) and In:					
Interest Transferred from Capital Projects Fund				527	527
Transfer to Food Service				(17,529)	(17,529)
Total other Financing Sources				(17,002)	(17,002)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and other Financing Uses	(10,821)	(670,709)	(681,530)	(328,099)	353,431
Fund Balances, July 1	1,978,975		1,978,975	1,978,975	
Fund Balances, June 30	\$ 1,968,154	\$ (670,709)	\$ 1,297,445	\$ 1,650,876	\$ 353,431
Recapitulation:					
Restricted for Escrow Fund				\$ 75,000	
Assigned to:					
Year-End Encumbrances				301,838	
Designated for Subsequent Year's Expenditures				160,202	
Unassigned Fund Balance:					
Unassigned Fund Balance				1,113,836	
				\$ 1,650,876	

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SPECIAL REVENUE FUND
AS OF JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 541,793	\$ 30,460	\$ 572,253	\$ 534,954	\$ (37,299)
State Sources					
Other		8,413	8,413	8,413	
Total Revenues	<u>541,793</u>	<u>38,873</u>	<u>580,666</u>	<u>543,367</u>	<u>(37,299)</u>
EXPENDITURES:					
Instruction					
Salaries of Teachers	191,900	21,000	212,900	201,080	11,820
Supplies and Materials	92,881	9,948	102,829	102,829	
Total Instruction	<u>284,781</u>	<u>30,948</u>	<u>315,729</u>	<u>303,909</u>	<u>11,820</u>
Support Services					
Salaries Personal Services	134,000	5,015	139,015	133,600	5,415
Personal Services - Employee Benefits	77,504	2,910	80,414	61,798	18,616
Purchased Professional & Technical Services - Other	41,000		41,000	39,552	1,448
Supplies and Materials	4,508		4,508	4,508	
Total Support Services	<u>257,012</u>	<u>7,925</u>	<u>264,937</u>	<u>239,458</u>	<u>25,479</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non-instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>541,793</u>	<u>38,873</u>	<u>580,666</u>	<u>543,367</u>	<u>37,299</u>
Other Financing Sources (Uses)					
Total Outflows	<u>541,793</u>	<u>38,873</u>	<u>580,666</u>	<u>543,367</u>	<u>37,299</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PART II

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI - PART II
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 8,187,117	[C-2]	\$ 543,367
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements				
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 8,187,117	[B-2]	\$ 543,367
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 8,498,214	[C-2]	\$ 543,367
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund				
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 8,498,214	[B-2]	\$ 543,367

REQUIRED SUPPLEMENTARY INFORMATION
PART III

CAMDEN'S PROMISE CHARTER SCHOOL, INC.

Schedules of Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Public Employee's Retirement System

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.0022857%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 427,946
District's Covered-Employee Payroll	\$ 331,700
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	129.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

CAMDEN'S PROMISE CHARTER SCHOOL, INC.

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System (PERS)

	<u>2014</u>
Contractually Required Contribution	\$ 18,843
Contributions in Relation to the Contractually Required Contribution	<u>(18,843)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 331,700
Contributions as a Percentage of Covered-Employee Payroll	5.68%

CAMDEN'S PROMISE CHARTER SCHOOL, INC.

Schedules of Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Teachers Pension Plan

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.02672294%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 381,671
District's Covered-Employee Payroll	\$ 3,055,634
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	12.4907%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PART III

CAMDEN'S PROMISE CHARTER SCHOOL, INC.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules**

For the Fiscal Year Ended June 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SPECIAL REVENUE FUND - BUDGETARY BASIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2015)

	<u>NCLB</u>					<u>Totals</u>	
	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Title III</u>	<u>IDEA Part B</u>	<u>Safety Grant</u>	<u>2015</u>	<u>2014</u>
	<u>2014-15</u>	<u>2014-15</u>					
REVENUES:							
Federal Sources	\$ 391,672	\$ 31,246	\$ 7,870	\$ 104,166		\$ 534,954	\$ 541,125
State Sources							
Other					8,413	8,413	
Total Revenues	<u>391,672</u>	<u>31,246</u>	<u>7,870</u>	<u>104,166</u>		<u>543,367</u>	<u>541,125</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	174,599	25,545	936			201,080	171,300
Supplies and Materials	87,019	463	6,934		8,413	102,829	115,404
Total Instruction	<u>261,618</u>	<u>26,008</u>	<u>7,870</u>		<u>8,413</u>	<u>303,909</u>	<u>286,704</u>
Support Services:							
Salaries Personal Services	50,000			83,600		133,600	131,091
Personal Services-Employee Benefits	38,502	5,238		18,058		61,798	52,783
Purchased Prof. & Technical Services	39,552					39,552	34,000
Other Purchased Services							26,128
Supplies and Materials	2,000			2,508		4,508	10,419
Total Support Services	<u>130,054</u>	<u>5,238</u>		<u>104,166</u>		<u>239,458</u>	<u>254,421</u>
Facilities Acquisitions & Const Serv:							
Non-Instructional Equipment							
Total Facilities Acquisition & Construction Services							
Total Expenditures	<u>\$ 391,672</u>	<u>\$ 31,246</u>	<u>\$ 7,870</u>	<u>\$ 104,166</u>	<u>\$ 8,413</u>	<u>\$ 543,367</u>	<u>\$ 541,125</u>

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2015</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Construction of New Elementary/Middle School, necessary onsite and offsite improvements, furniture, and equipment associated with such improvements	4/17/09	\$ 7,090,000	\$ 7,090,000	\$	\$
		<u>\$ 7,090,000</u>	<u>\$ 7,090,000</u>	<u>\$</u>	<u>\$</u>

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing

Sources

Interest	\$	527
		<hr/>
Total Revenues		527
		<hr/>

Expenditures and Other Financing Uses

Transfer of Interest Earned to General Fund		527
		<hr/>
Total Expenditures		527
		<hr/>

Excess (deficiency) of Revenues over (under) Expenditures

Fund Balance - Beginning		196,875
		<hr/>
Fund Balance - Ending	\$	196,875
		<hr/> <hr/>

Note: As a result of the transfer of the buildings and related debt to the Camden Charter Network, this previously requires Escrow Account is no longer needed.

PROPRIETARY FUND

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district’s board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all Schools.

THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015 AND 2014

	Totals	
	<u>2015</u>	<u>2014</u>
ASSETS:		
Current Assets:		
Cash	\$ 233,065	\$ 43,678
Accounts Receivable:		
State	897	604
Federal	45,268	38,760
Other		6,136
Interfund Receivable - Agency		30,698
Intergovernmental Accounts Receivable	198,960	186,567
Inventory	12,921	14,952
	<u>491,111</u>	<u>321,395</u>
Total Current Assets:		
Fixed Assets		
Equipment	103,642	78,736
Accumulated Depreciation	63,663	57,102
	<u>39,979</u>	<u>21,634</u>
Total Fixed Assets:		
Total Assets	<u>\$ 531,090</u>	<u>\$ 343,029</u>
LIABILITIES AND NET POSITION:		
Accounts Payable	\$ 93,793	\$ 118,205
Interfund Payable - Student Activity		591
Interfund Payable - General Fund	368,942	121,086
Intergovernmental Accounts Payable		187
Unearned Revenue	322	3,077
	<u>463,057</u>	<u>243,146</u>
Total Liabilities		
Net Position:		
Investment in Fixed Assets	39,979	21,634
Unreserved Retained Earnings	28,054	78,249
	<u>68,033</u>	<u>99,883</u>
Total Net Position		
Total Liabilities and Net Position	<u>\$ 531,090</u>	<u>\$ 343,029</u>

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	Totals	
	2015	2014
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:	\$ 12,829	\$ 30,710
Satellite Operation Revenue	587,316	529,131
Total Operating Revenue	600,145	559,841
OPERATING EXPENSES:		
Salaries	273,299	176,144
Employee Benefits	35,152	30,268
Management Fee	97,806	94,592
Supplies and Materials	45,858	44,902
Other Costs	93,496	45,125
Depreciation	6,561	6,561
Cost of Sales	426,002	384,109
Total Operating Expenses	978,174	781,701
Operating Loss	(378,029)	(221,860)
Non-Operating Revenues:		
State Sources:		
State School Lunch Program	3,988	3,542
Federal Sources:		
School Breakfast Program	59,087	39,532
National School Lunch Program	195,429	183,375
National School Lunch Program-Snacks	17,068	12,691
Food Distribution Program	59,056	41,076
Board Subsidy	17,529	
Prior Year Receivable Adjustment	(6,136)	
Interest Revenue	158	229
Total Non-Operating Revenues	346,179	280,445
Net Income before Operating Transfers	(31,850)	58,585
Net Position - July 1	99,883	41,298
Net Position - June 30	\$ 68,033	\$ 99,883

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015 AND 2014

	Totals	
	2015	2014
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 600,145	\$ 559,841
Payments to Employees	(273,299)	(176,144)
Payments for Employee Benefits	(35,152)	(30,268)
Payments to Suppliers	(423,580)	(764,338)
Net Cash Provided by (Used for) Operating Activities	(131,886)	(410,909)
Cash Flows from Noncapital Financing Activities		
Board Subsidy	17,529	
Food Distribution Program	59,056	41,076
Cash Received from State and Federal Reimbursements	275,572	239,140
Prior Year Revenue Adjustment	(6,136)	
Net Cash Provided by Noncapital Financing Activities	346,021	280,216
Net Cash Used by Capital Financing Activities		
Purchase of Fixed Assets	(24,906)	
Net Cash Used by Capital Financing Activities	(24,906)	
Cash Flows from Investing Activities:		
Interest Income	158	229
Net Increase (Decrease) in Cash	189,387	(130,464)
Cash and Cash Equivalents, July 1	43,678	174,142
Cash and Cash Equivalents, June 30	\$ 233,065	\$ 43,678
Operating Income (Loss)	\$ (378,029)	\$ (221,860)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Depreciation	6,561	6,561
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	(6,801)	(28,862)
(Increase)/Decrease in Other Accounts Receivable	6,136	(73)
(Increase)/Decrease in Interfund Receivable	30,698	(30,698)
(Increase)/Decrease in Intergovernmental Accounts Receivable	(12,393)	(104,281)
(Increase)/Decrease in Inventory	2,031	(4,679)
Increase/(Decrease) in Accounts Payable	(24,412)	83,746
Increase/(Decrease) in Interfund Payable	247,265	(111,659)
Increase/(Decrease) in Intergovernmental Accounts Payable	(187)	187
Increase/(Decrease) in Unearned Revenue	(2,755)	709
Net Cash Used by Operating Activities	\$ (131,886)	\$ (410,909)

FIDUCIARY FUNDS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	Unemployment Compensation Expendable Trust	Agency		Total	
		Student Activity	Payroll	2015	2014
ASSETS:					
Cash and Cash Equivalents	\$ 21,842	\$ 6,468	\$ 4,601	\$ 32,911	\$ 63,580
Due from Food Service					591
Total Assets	\$ 21,842	\$ 6,468	\$ 4,601	\$ 32,911	\$ 64,171
LIABILITIES:					
Accounts Payable	\$ 378	\$	\$	\$ 378	\$ 7,632
Interfund Payable - General Fund	7,632		3,438	11,070	7,977
Interfund Payable - Food Service					30,698
Due to Student Groups		6,468		6,468	6,674
Payroll Deductions and Withholding			1,163	1,163	986
Total Liabilities	8,010	6,468	4,601	19,079	53,967
NET POSITION:					
Unreserved for Unemployment Claims	13,832			13,832	10,204
Total Liabilities and Net Position	\$ 21,842	\$ 6,468	\$ 4,601	\$ 32,911	\$ 64,171

EXHIBIT H-2

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

	<u>Expendable Trust Unemployment Funds</u>
OPERATING REVENUES:	
Employee Deduction	\$ 23,202
Total Revenues	<u>23,202</u>
OPERATING EXPENSES:	
Unemployment Claims	<u>19,599</u>
Total Expenses	<u>19,599</u>
NONOPERATING REVENUES:	
Interest	<u>25</u>
Total Non-operating Revenues	<u>25</u>
Change in Net Position	3,628
Net Position Beginning of Year	<u>10,204</u>
Net Position End of Year	<u>\$ 13,832</u>

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

	Balance July 1, 2014	Accounts Receivable June 30, 2015	Cash Receipts	Cash Disbursements	Accounts Payable June 30, 2015	Balance June 30, 2015
Student Activity Fund	\$ 6,674	\$	\$ 46,660	\$ 46,866	\$	\$ 6,468

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 31,684	\$ 4,179,709	\$ 4,206,792	\$ 4,601
	<u>31,684</u>	<u>4,179,709</u>	<u>4,206,792</u>	<u>4,601</u>
LIABILITIES AND RESERVES:				
Due to Food Service	\$ 30,698	\$	\$ 30,698	\$
Due to General Fund		3,438		3,438
Payroll Deductions and Withholdings	986	4,176,271	4,176,094	1,163
Total Liabilities and Reserves	<u>\$ 31,684</u>	<u>\$ 4,179,709</u>	<u>\$ 4,206,792</u>	<u>\$ 4,601</u>

STATISTICAL SECTION

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 675,584	\$ 1,188,470	\$ 1,127,334	\$ 2,375,476	\$ 3,781,822	\$ 6,201,586	\$ 6,038,626	\$ 6,781,750	\$ 6,809,275	\$ 2,272,555
Restricted	198,931	198,931	198,931	382,573	424,000	196,875	196,875	271,875	1,208,685	271,875
Unrestricted	832,371	353,409	519,413	1,289,782	1,157,804	725,662	1,786,604	1,311,742	967,165	994,250
Total Governmental Activities Net Position	\$ 1,706,886	\$ 1,740,810	\$ 1,845,678	\$ 4,047,831	\$ 5,363,626	\$ 7,124,123	\$ 8,022,105	\$ 8,365,367	\$ 8,985,125	\$ 3,538,680
Business-Type Activities										
Invested in Capital Assets, net of related debt	\$ 27,767	\$ 24,296	\$ 20,825	\$ 17,354	\$ 47,878	\$ 41,317	\$ 34,756	\$ 28,195	\$ 21,634	\$ 39,979
Unrestricted	19,901	51,467	73,705	69,824	83,795	49,798	2,150	13,103	78,249	28,054
Total Business-Type Activities Net Position	\$ 47,668	\$ 75,763	\$ 94,530	\$ 87,178	\$ 131,673	\$ 91,115	\$ 36,906	\$ 41,298	\$ 99,883	\$ 68,033
District-Wide										
Invested in Capital Assets, net of related debt	\$ 703,351	\$ 1,212,766	\$ 1,148,159	\$ 2,392,830	\$ 3,829,700	\$ 6,242,903	\$ 6,073,382	\$ 6,809,945	\$ 6,830,909	\$ 2,312,534
Restricted	198,931	198,931	198,931	382,573	424,000	196,875	196,875	271,875	1,208,685	271,875
Unrestricted	852,272	404,876	593,118	1,359,606	1,241,599	775,460	1,788,754	1,324,845	1,045,414	1,022,304
Total District-Wide Net Position	\$ 1,754,554	\$ 1,816,573	\$ 1,940,208	\$ 4,135,009	\$ 5,495,299	\$ 7,215,238	\$ 8,059,011	\$ 8,406,665	\$ 9,085,008	\$ 3,606,713

Source: CAFR Schedule A-1

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 2,396,331	\$ 2,465,510	\$ 2,488,187	\$ 2,745,568	\$ 2,588,303	\$ 2,640,546	\$ 3,050,692	\$ 3,462,635	\$ 3,035,578	\$ 3,555,822
Support Services										
School Administrative Services	1,047,150	1,169,517	1,032,592	479,726	481,343	833,971	806,819	842,572	1,025,705	939,099
General Administrative Services	345,879	880,806	1,151,038	959,388	745,156	794,366	790,925	789,935	791,249	892,734
Plant Operations and Maintenance	998,252	816,630	834,571	492,124	1,401,233	1,249,944	1,743,482	1,115,027	1,460,823	1,809,709
Pupil Transportation	63,404	23,204	38,773	9,882	24,080	49,196	21,837	48,735	10,915	3,345
Employee Benefits	613,989	804,556	877,824	1,115,339	1,067,856	1,120,394	1,186,989	1,391,249	1,490,256	2,281,208
Business and Other Support Services										
Unallocated Depreciation and Amortization	45,149	56,536	70,764	154,219	159,053	156,000	329,519	371,323	406,432	373,319
Total Governmental Activities Expenses	5,510,154	6,216,759	6,493,749	5,956,246	6,467,024	6,844,417	7,930,263	8,021,476	8,220,958	9,855,236
Business-Type Activities										
Food Service	216,138	292,963	333,870	455,718	448,309	599,403	648,601	717,466	781,701	978,174
Total Business-Type Activities Expense	216,138	292,963	333,870	455,718	448,309	599,403	648,601	717,466	781,701	978,174
Total District Expenses	\$ 5,726,292	\$ 6,509,722	\$ 6,827,619	\$ 6,411,964	\$ 6,915,333	\$ 7,443,820	\$ 8,578,864	\$ 8,738,942	\$ 9,002,659	\$ 10,833,410
Program Revenues										
Governmental Activities										
Charges for Services	\$ 1,102,431	\$ 1,030,198	\$	\$ 1,435,371	\$ 995,293	\$ 1,146,101	\$ 1,002,258	\$ 1,073,009	\$ 1,079,664	\$ 1,031,415
Operating Grants and Contributions										
Total Governmental Activities Program Revenues	1,102,431	1,030,198		1,435,371	995,293	1,146,101	1,002,258	1,073,009	1,079,664	1,031,415
Business-Type Activities										
Charges for Services										
Food Service	102,385	134,476	151,127	237,612	268,324	321,649	330,183	443,804	559,841	600,145
Operating Grants and Contributions	138,320	177,540	201,051	210,591	224,404	237,129	264,145	277,953	280,216	328,492
Total Business-Type Activities Program Revenues	240,705	312,016	352,178	448,203	492,728	558,778	594,328	721,757	840,057	928,637
Total District Program Revenues	\$ 1,343,136	\$ 1,342,214	\$ 352,178	\$ 1,883,574	\$ 1,488,021	\$ 1,704,879	\$ 1,596,586	\$ 1,794,766	\$ 1,919,721	\$ 1,960,052
Net (Expense)/Revenue										
Governmental Activities	\$ (4,407,723)	\$ (5,186,561)	\$ (6,493,749)	\$ (4,520,875)	\$ (5,471,731)	\$ (5,698,316)	\$ (6,928,005)	\$ (6,948,467)	\$ (7,141,294)	\$ (8,823,821)
Business-Type Activities	24,567	19,053	18,308	(7,515)	44,419	(40,625)	(54,273)	4,291	58,356	(49,537)
Total District-Wide Net Expense	\$ (4,383,156)	\$ (5,167,508)	\$ (6,475,441)	\$ (4,528,390)	\$ (5,427,312)	\$ (5,738,941)	\$ (6,982,278)	\$ (6,944,176)	\$ (7,082,938)	\$ (8,873,358)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 430,876	\$ 574,669	\$ 647,704	\$ 247,260	\$ 300,755	\$ 258,054	\$ 287,957	\$ 321,033	\$ 367,951	\$ 454,213
Unrestricted Grants and Contributions	3,011,998	3,729,810	3,716,580	5,102,929	5,106,354	5,321,273	6,021,557	6,029,099	6,034,502	6,985,112
Investment Earnings					1,881	1,201	918	1,047	1,185	1,742
Miscellaneous Income	791,385	865,266	1,023,021	1,044,849	1,378,536	1,703,378	1,515,555	1,129,783	1,357,414	866,630
Fixed Asset and Capital Lease Adjustment Transfers				327,990		174,907				(4,310,685)
Total Governmental Activities	4,234,259	5,169,745	5,387,305	6,723,028	6,787,526	7,458,813	7,825,987	7,480,962	7,761,052	3,979,483
Business-Type Activities										
Investment Earnings	3,638	2,430	459	163	76	67	64	101	229	158
Prior Year revenue Adjustments Transfer		6,612								17,529
Total Business-Type Activities	3,638	9,042	459	163	76	67	64	101	229	17,687
Total District-Wide	\$ 4,237,897	\$ 5,178,787	\$ 5,387,764	\$ 6,723,191	\$ 6,787,602	\$ 7,458,880	\$ 7,826,051	\$ 7,481,063	\$ 7,761,281	\$ 3,997,170
Change in Net Position										
Governmental Activities	\$ (173,464)	\$ (16,816)	\$ (1,106,444)	\$ 2,202,153	\$ 1,315,795	\$ 1,760,497	\$ 897,982	\$ 532,495	\$ 619,758	\$ (4,844,338)
Business-Type Activities	28,205	28,095	18,767	(7,352)	44,495	(40,558)	(54,209)	4,392	58,585	(31,850)
Total District-Wide	\$ (145,259)	\$ 11,279	\$ (1,087,677)	\$ 2,194,801	\$ 1,360,290	\$ 1,719,939	\$ 843,773	\$ 536,887	\$ 678,343	\$ (4,876,188)

Source: CAFR Schedule A-2

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	Fiscal Year Ending June 30,									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Restricted	\$ 552,250	\$ 9,417	\$	\$ 23,758	\$ 68,956	\$	\$	\$ 669,699	\$ 1,011,810	\$ 75,000
Unrestricted	301,175	315,913	492,941	1,056,411	889,920	525,512	1,182,377	717,043	967,165	1,575,876
Total General Fund	\$ 853,425	\$ 325,330	\$ 492,941	\$ 1,080,169	\$ 958,876	\$ 525,512	\$ 1,182,377	\$ 1,386,742	\$ 1,978,975	\$ 1,650,876
All Other Governmental Funds										
Restricted	\$ 196,875	\$ 196,875	\$ 196,875	\$ 380,517	\$ 421,944	\$	\$	\$	\$	\$
Unrestricted, Reported in:										
Capital Projects Fund	2,056	2,056	2,056	2,056	2,056	196,875	196,875	196,875	196,875	196,875
Total All Other Governmental Funds	\$ 198,931	\$ 198,931	\$ 198,931	\$ 382,573	\$ 424,000	\$ 196,875	\$ 196,875	\$ 196,875	\$ 196,875	\$ 196,875

Source: CAFR Schedule B-1

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax Levy	\$ 430,876	\$ 574,669	\$ 647,704	\$ 247,260	\$ 300,755	\$ 258,054	\$ 287,957	\$ 321,033	\$ 367,951	\$ 454,213
Rental	749,232	791,732	974,180	908,232	1,204,673	1,670,500	1,479,875	1,035,648	1,259,073	828,775
Interest Earnings	18,721	12,663	6,663	2,551	1,881	1,201	918	1,047	1,185	1,742
Miscellaneous	25,802	60,871	42,178	134,066	173,863	32,878	35,680	94,135	98,341	37,855
State Sources	3,150,453	3,729,810	4,025,531	5,411,880	5,458,761	5,608,146	6,475,917	6,592,827	6,573,041	6,865,059
Federal Sources	961,606	1,030,198	902,361	1,126,420	642,886	859,228	547,898	509,281	541,125	543,367
Total Revenues	5,336,690	6,199,943	6,598,617	7,830,409	7,782,819	8,430,007	8,828,245	8,553,971	8,840,716	8,731,011
Expenditures										
Instruction										
Regular Instruction	2,396,331	2,465,510	2,488,187	2,745,568	2,588,303	2,640,546	3,050,692	3,462,635	3,035,578	3,555,822
Support Services										
General Administrative Services	345,879	1,169,517	1,032,592	466,956	481,343	833,971	806,952	842,572	1,025,705	939,099
School Administrative Services	1,047,150	880,806	1,146,243	959,388	745,156	794,366	790,925	789,935	791,249	892,734
Plant Operations and Maintenance	998,252	468,021	410,787	492,124	1,401,598	1,262,216	1,743,482	1,115,027	1,460,823	1,809,709
Pupil Transportation	63,404	23,204	51,589	22,957	38,524	49,196	21,837	48,735	10,915	3,345
Business and Other Support Services										
Unallocated Employee Benefits	581,379	804,556	877,824	1,115,339	1,067,856	1,120,394	1,186,989	1,391,249	1,490,256	1,693,588
Capital Outlay	28,463	916,424	423,784	948,493	1,539,905	2,389,807	155,509	1,114,447	433,957	147,284
Total Expenditures	5,460,858	6,728,038	6,431,006	6,750,825	7,862,685	9,090,496	7,756,386	8,764,600	8,248,483	9,041,581
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,168)	(528,095)	167,611	1,079,584	(79,866)	(660,489)	1,071,859	(210,629)	592,233	(310,570)
Other Financing Sources (Uses)										
Prior Year Revenue Adjustment Transfers				(308,714)						(17,529)
Total Other Financing Sources (Uses)				(308,714)						(17,529)
Net Change in Fund Balances	\$ (124,168)	\$ (528,095)	\$ 167,611	\$ 770,870	\$ (79,866)	\$ (660,489)	\$ 1,071,859	\$ (210,629)	\$ 592,233	\$ (328,099)
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

EXHIBIT J-5

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Services</u> <u>to Other</u> <u>LEAs</u>	<u>Refund of</u> <u>Prior Year</u> <u>Expenditure</u>	<u>Prior Year</u> <u>Purchase</u> <u>Order Adj.</u>	<u>Misc.</u>	<u>Total</u>
2015	\$ 1,742	\$ 828,775	6,360	\$ 6,697	\$	\$ 24,271	\$ 867,845
2014	1,185	1,259,073	44,440	3,838		49,572	1,358,108
2013	1,047	1,035,648	83,583	2,433		5,161	1,127,872
2012	918	1,479,875		14,460		7,477	1,502,730
2011	1,201	1,670,500				23,469	1,695,170
2010	1,881	1,204,673		13,210	113,100	1,126	1,333,990
2009	2,551	908,232			20,815	102,839	1,034,437
2008	6,663	974,180		3,054	3,536	35,588	1,023,021
2007	12,663	791,732		27,863	26,253	6,755	865,266
2006	18,721	749,232		11,230	12,202		791,385

Source: District Records

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
DEMOGRAPHIC AND ECONOMIC STATISTICS**
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d	
2015	*	77,712	\$ 3,582,756,336	\$ 46,103	12.7%
2014		77,332	3,555,106,704	45,972	16.1%
2013		76,783	3,497,004,952	45,544	16.0%
2012		77,271	3,482,063,073	45,063	18.5%
2011		77,567	3,430,710,843	44,229	19.6%
2010		77,423	3,269,573,290	42,230	18.6%
2009		78,790	3,312,016,440	42,036	17.8%
2008		79,519	3,210,564,464	42,056	11.8%
2007		79,263	3,233,771,874	40,798	9.6%
2006		79,201	3,118,460,174	39,374	10.7%

* Estimate

** The above demographics reflect the entire City of Camden population.

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

N/A - Not Available at time of Audit

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	41	41	39	43	42	38	43	48	55	52
Special education	6	4	5	7	7	7	10	12	13	14
Other special education										
Vocational										
Other instruction										
Support Services:										
Tuition										
Student & instruction related services										
General administrative services	4	4	4	4	2	2	2	2	2	2
School administrative services	1	1	1	1	1					
Business administrative services						2	2	2	2	2
Plant operations and maintenance				1	1					
Pupil transportation	1	1	1							
Food Service	4	4	4	4						
Total	<u>57</u>	<u>55</u>	<u>54</u>	<u>60</u>	<u>53</u>	<u>49</u>	<u>57</u>	<u>64</u>	<u>72</u>	<u>70</u>

Source: District Personnel Records

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Middle</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2015	461	\$ 8,894,297	\$ 19,293	8.4%	66	9 : 1	464.25	447.6	4.31%	96.42%
2014	444	7,814,526	17,600	-3.9%	60	9 : 1	445.1	429.3	2.48%	96.45%
2013	430	7,650,153	17,791	8.6%	60	9 : 1	434.3	420.1	0.30%	96.73%
2012	415	7,600,877	18,315	11.8%	53	9 : 1	433.0	416.5	8.60%	96.19%
2011	409	6,700,689	16,383	0.5%	50	9 : 1	398.7	371.0	0.68%	93.05%
2010	388	6,322,780	16,296	9.5%	49	8 : 1	396.0	368.6	-0.10%	93.08%
2009	390	5,820,332	14,878	1.9%	50	9 : 1	396.4	376.6	-1.15%	95.01%
2008	398	5,811,614	14,602	-2.3%	44	9 : 1	401.0	382.0	3.30%	95.26%
2007	389	5,811,614	14,940	-13.2%	45	9 : 1	388.2	368.7	8.38%	94.98%
2006	349	6,007,222	17,213	43.8%	47	7 : 1	358.2	332.1	10.59%	92.71%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
Square Feet										
Capacity (students)										
Enrollment	64	83	90	89	82	97	116	116	122	120
Square Feet										
Capacity (students)										
Enrollment										
<u>Middle</u>										
Camden's Promise Charter School, Inc.										
Square Feet	68,305	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	400	480	480	480	480	480	480	480	480	480
Enrollment	284	306	308	302	306	307	299	314	322	341
<u>High</u>	N/A									
Square Feet										
Capacity (students)										
Enrollment										
<u>Other</u>	N/A									
Administration Building										
Square Feet										
Transportation										
Square Feet										
Maintenance Offices										
Square Feet										

Number of Schools at June 30, 2013
 Elementary =
 Middle School = 1
 High School =
 Other =

Source: District records, ASSA

Note: Increases in square footage and capacity are the result of additions.
 Enrollment is based on the annual October district count.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
 (UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
	July 1, 2014 - July 1, 2015:		
NJSBAIG	Commercial Policy		
	Property - Blanket Building & Personal Property	\$ 31,030,300	\$ 1,000
	Comprehensive General Liability		
	Products and Completed Operations	6,000,000	1,000
	Personal Advertising Injury	6,000,000	1,000
	Bodily Injury & Property Damage	6,000,000	1,000
	Employee Benefits Liability	6,000,000	5,000
	Comprehensive Automobile Liability	6,000,000	1,000
	Boiler and Machinery	100,000,000	5,000
	Employee Dishonesty Coverage	100,000	1,000
	Inland Marine	253,000	1,000
	Legal Liability	5,000,000	5,000
	Workman's Compensation:		
	Bodily Injury from Accident	2,000,000	
	Bodily Injury from Disease/Aggregate Limit	2,000,000	
	Bodily Injury from Disease/ Each Employee	2,000,000	
Markel Ins. Co.	Workman's Compensation Supplemental Policy	Full Salary	
	Surety Bonds		
NJ School Boards	Treasurer's Bond	475,000	
	Business Administrator	50,000	
Ohio Casualty Ins. Co.	Asst. Business Administrator	10,000	
Berkley Ins. Co.	Compulsory Student Accident	1,000,000	
Markel Ins. Co.	Catastrophic Student Accident	2,000,000	
	Catastrophic Cash Benefit - Maximum Benefit	500,000	25,000

Source: District Records

CAMDENS PROMISE CHARTER SCHOOL, INC
CHARTER SCHOOL PERFORMANCE FRAMEWORK
FINANCIAL PERFORMANCE - FISCAL RATIOS

JUNE 30, 2015

(UNAUDITED)

	2013	2014	2015	Source	
Cash	\$ 2,118,692	\$ 1,706,744	\$ 1,497,654	Audit: Exhibit A-1	
Current Assets	2,794,633	2,519,227	2,157,350	Audit: Exhibit A-1	
Total Assets	9,604,578	9,350,136	4,469,884	Audit: Exhibit A-1	
Current Liabilities	1,197,913	265,128	709,491	Audit: Exhibit A-1	
Total Liabilities	1,197,913	265,128	709,491	Audit: Exhibit A-1	
Net Position	\$ 8,406,665	\$ 9,085,008	\$ 3,760,393	Audit: Exhibit A-1	
Total Revenue	9,275,829	9,681,002	5,957,222	Audit: Exhibit A-2	
Total Expenses	8,738,942	9,002,659	10,833,410	Audit: Exhibit A-2	
Change in Net Position	\$ 536,887	\$ 678,343	\$ (4,876,188)	Audit: Exhibit A-2	
Depreciation Expense	371,323	406,432	373,319	Financial Statements/ Audit Workpapers	
Interest Expense	N/A	N/A	N/A	Financial Statements/ Audit Workpapers	
Principal Payments	N/A	N/A	N/A	Financial Statements/ Audit Workpapers	
Interest Payments	N/A	N/A	N/A	Financial Statements/ Audit Workpapers	
Final Average Daily Enrollment	434	434	464	DOE Enrollment Reports	
March 30th Budgeted Enrollment	430	430	461	Charter School Budget	
	2013	2014	2015	3 Year Cumulative	Source
Near Term Indicators					
Current Ratio	2.33	9.50	3.04	3.44	Current Assets/ Current Liabilities
Unrestricted Days Cash	88.49	69.20	50.46	67.99	Cash/ (Total Expenses/365)
Enrollment Variance	101%	101%	101%	101%	Average Daily Enrollment / Budgeted Enrollment
Default	N/A	N/A	N/A	N/A	Audit
Sustainability Indicators					
Total Margin	6%	7%	-82%	-0.15	Change in Net Position/ Total Revenue
Debt to Asset	0.12	0.03	0.16	0.09	Total Liabilities/ Total Assets
Cash Flow	776,212	(411,948)	(209,090)	155,174	Net change in cash flow from prior years
Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	(Change in Net Position+Interest Expense) (Principal & Interest Payments)

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA*A Professional Association**Certified Public Accountants*

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

November 27, 2015

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Members of the Board of Trustees
Camden's Promise Charter School, Inc.
County of Camden
Camden, New Jersey 08105

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Trustees of the Camden's Promise Charter School, Inc.'s basic financial statements and have issued our report thereon dated November 27, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Camden's Promise Charter School, Inc. Board of Trustee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Camden's Promise Charter School, Inc. Board of Trustee's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Camden's Promise Charter School, Inc. Board of Trustee's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given the limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did, however, note one instance of deficiency in internal control over financial reporting that we considered to be a significant weakness, as defined above that have been reported to the Board of Education of the Camden's Promise Charter School, Inc. in the separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 27, 2015, Labeled Finding 2015-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camden's Promise Charter School, Inc. Board of Trustees' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Camden's Promise Charter School, Inc. Board of Trustees, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA, RMA
Licensed Public School Accountant
No. 915

NIGHTLINGER, COLAVITA & VOLPA*A Professional Association**Certified Public Accountants*

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

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Fax (856) 728-2245
www.colavita.net

November 27, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133
AND NEW JERSEY OMB CIRCULAR 04-04 AND 15-08**

INDEPENDENT AUDITOR'S REPORT

The Members of the Board of Trustees
Camden's Promise Charter School, Inc.
County of Camden
Camden, New Jersey 08105

Report on Compliance for Each Major Program

We have audited the Board of Trustees of the Camden's Promise Charter School, Inc. School District, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Camden's Promise Charter School, Inc. major federal and state programs for the fiscal year ended June 30, 2015. The Camden's Promise Charter School, Inc. Board of Trustees' major federal and state programs is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Camden's Promise Charter School, Inc.'s major federal and state compliance based on our audit of the types of compliance requirements referenced above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Camden's Promise Charter School, Inc. Board of Trustees' compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Camden's Promise Charter School, Inc. Board of Trustees' compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Trustees of the Camden's Promise Charter School, Inc. School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Camden's Promise Charter School, Inc. Board of Trustees is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Camden's Promise Charter School, Inc. Board of Trustees internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey Circular 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Camden's Promise Charter School, Inc. Board of Trustees' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified. We did note one instance of deficiency in internal control over compliance that we consider to be significant and have reported them to the Camden Promise Charter School, Inc. Board of Trustees' in the separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 27, 2015, labeled Finding 2015-2.

Camden Promise Charter School, Inc. Board of Trustees' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Camden Promise Charter School, Inc. Board of Trustees' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and 15-08.

This report is intended solely for the information and use of the audit committee, management, the Camden's Promise Charter School, Inc. Board of Trustees, the New Jersey State Department of Education, other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA, RMA
Licensed Public School Accountant
No. 915

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-Through Grantor/ Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2014				Adjustments/ Repayment of Prior Years' Balances	Budgetary Expend- itures	Balance at June 30, 2015		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Cash Received			(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
National School Breakfast Program	10.553	N/A	\$ 39,532	7/1/13 to 6/30/14	\$ (5,775)	\$	\$	\$ 5,775	\$	\$	\$	\$	
National School Breakfast Program	10.553	N/A	59,087	7/1/14 to 6/30/15				49,392		(59,087)		(9,695)	
National School Lunch Program	10.555	N/A	183,375	7/1/13 to 6/30/14	(31,469)			31,469					
National School Lunch Program	10.555	N/A	195,429	7/1/14 to 6/30/15				162,058		(195,429)		(33,371)	
National School Snack Program	10.555	N/A	17,068	7/1/14 to 6/30/15				14,866		(17,068)		(2,202)	
National School Snack Program	10.555	N/A	12,691	7/1/13 to 6/30/14	(1,516)			1,516					
Food Distribution Program	10.565	N/A	41,785	7/1/13 to 6/30/14		3,077				(3,077)			
Food Distribution Program	10.565	N/A	56,301	7/1/14 to 6/30/15				56,301		(55,979)		322	
Total Enterprise Fund:					(38,760)	3,077		321,377		(330,640)		322	
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
Title I, Part A	84.010A	NCLB 6215-15	407,362	7/1/14 to 6/30/15				330,565		(391,672)		(61,107)	
Title I, Part A Carryover	84.010A	NCLB 6215-13	383,387	9/1/12 to 8/31/13	(16,787)			16,787					
Title I, Part A	84.010A	NCLB 6215-14	379,069	7/1/13 to 6/30/14	(144,945)			144,945					
Title II - A	84.367A	NCLB 6215-15	36,400	7/1/14 to 6/30/15				20,892		(31,246)		(10,354)	
Title II - A Carryover	84.367A	NCLB 6215-13	35,541	9/1/12 to 8/31/13	(3,490)			3,490					
Title II - A	84.367A	NCLB 6215-14	35,086	7/1/13 to 6/30/14	(9,403)			9,403					
Title III	84.365A	NCLB 6215-15	13,824	7/1/14 to 6/30/15						(7,870)		(7,870)	
Title III	84.365A	NCLB 6215-14	14,040	7/1/13 to 6/30/14	(3,095)			3,095					
IDEA Part B-Basic	84.027	IDEA 6215-15	114,667	7/1/14 to 6/30/15				72,670		(104,166)		(31,496)	
IDEA Part B-Basic	84.027	IDEA 6215-14	103,601	7/1/13 to 6/30/14	(31,073)			31,073					
					(208,793)			632,920		(534,954)		(110,827)	
Total Federal Financial Assistance					\$ (247,553)	\$ 3,077	\$	\$ 954,297	\$	\$ (865,594)	\$ (156,095)	\$ 322	

The accompanying Notes to the Financial statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2014				Repayment of Prior Years' Balances	Balance at June 30, 2015			
				Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures		(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	
State Department of Education												
General Fund												
Equalization Aid	15-495-034-5120-078	\$ 5,818,261	7/1/14 to 6/30/15	\$	\$	\$ 5,860,434	\$ (5,818,261)	\$	\$	\$ 42,173	\$	
Equalization Aid	14-495-034-5120-078	5,579,804	7/1/13 to 6/30/14	(35,673)		22,745		11,339	(1,589)			
Special Education Categorical Aid	15-495-034-5120-089	208,374	7/1/14 to 6/30/15			205,679	(208,374)		(2,695)			
Special Education Categorical Aid	14-495-034-5120-089	177,097	7/1/13 to 6/30/14	(3,084)		1,440		1,644				
Security Aid	15-495-034-5120-084	189,942	7/1/14 to 6/30/15			189,208	(189,942)		(734)			
Security Aid	14-495-034-5120-084	183,111	7/1/13 to 6/30/14	(2,362)		2,223		130	(9)			
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	233,359	7/1/14 to 6/30/15			230,279	(233,359)		(3,080)			
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	232,868	7/1/13 to 6/30/14	(3,364)		3,364						
Total General Fund				\$ (44,483)	\$	\$ 6,515,372	\$ (6,449,936)	\$ 13,113	\$ (8,107)	\$ 42,173	\$	
State Department of Agriculture												
Enterprise Fund - State Share:												
National School Lunch Program	14-100-010-3350-023	3,542	7/1/13 to 6/30/14	(604)		604						
National School Lunch Program	15-100-010-3350-023	3,988	7/1/14 to 6/30/15			3,091	(3,988)		(897)			
				(604)		3,695	(3,988)		(897)			
Total State Financial Assistance Subject to OMB 04-04/15-08				\$ (45,087)	\$	\$ 6,519,067	\$ (6,453,924)	\$ 13,113	\$ (9,004)	\$ 42,173	\$	
On Behalf TPAF Contributions Not Subject to OMB 04-04/15-08												
On-Behalf TPAF Post Retirement Medical	15-495-034-5095-001	160,434	7/1/14 to 6/30/15			\$ 160,434	\$ (160,434)					
On-Behalf TPAF Pension Contribution	15-495-034-5095-006	254,689	7/1/14 to 6/30/15			254,689	(254,689)					
Total State Financial Assistance						\$ 6,934,190	\$ (6,869,047)					

The accompanying Notes to the Financial statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Board of Trustees, Camden's Promise Charter School, Inc. The board of trustees is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits for States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

The net adjustment to reconcile from the budgetary basis to the GAAP basis is zero for the special revenue fund. See Note 2 for a reconciliation of the budgetary basis to the Modified Accrual basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 6,865,059	6,865,059
Special Revenue Fund	543,367		543,367
Food Service Fund	<u>330,640</u>	<u>3,988</u>	<u>334,628</u>
Total Awards & Financial Assistance	\$ <u>874,007</u>	\$ <u>6,869,047</u>	\$ <u>7,743,054</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Camden's Promise Charter School had no outstanding loans at June 30, 2015.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2015. TPAF Social Security Contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

The District's Federal Programs are maintained on a school-wide basis.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 9: ADJUSTMENTS

None

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiencies identified? X yes _____ none reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified? _____ yes X no

2) Significant deficiencies identified X yes _____ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? X yes _____ no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010A	NCLB – Title I, Part A

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00
Auditee qualified as low-risk auditee? X yes _____ no

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08 yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
15-495-034-5120-078	Equalization Aid
15-495-034-5120-089	Special Education Categorical Aid
15-495-034-5120-084	Security Aid

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding: 2015-1

Criteria or specific requirement:

It is considered necessary, as well as required, to record adjusting journal entries into the General Ledger and other journals within the accounting software.

Condition:

There were a number of adjustments to the general ledger that were required to be submitted as part of the audit.

Context:

There were several adjusting journal entries required to be identified and recorded regarding the year-end cash amount, a budget transfer, one budget refund and one budget line item.

Effect:

As a result of the above condition, adjusting journal entries were submitted to the Board Office, as of June 30, 2015.

Cause:

A necessary step to analyze the General Ledger account balances was omitted.

Recommendation:

Prior to the year-end close out of the accounting system, various adjustments should be identified and recorded in the general ledger.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 (continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

FEDERAL AWARDS

Finding: 2015-2

Information on the federal program:

NCLB - Title I (84.010A)

Criteria or specific requirement:

Proper internal control dictates that detail in the various records should be sufficiently analyzed and adjusted, in order to provide information for accurate financial statements.

Condition:

The General Ledger in the Special Revenue Fund was not sufficiently analyzed, in order to adjust the accounts receivable for the Title I program.

Questioned Costs:

None.

Context:

Accounts receivable were not properly reflected in the School's general ledger at June 30, 2015.

Effect:

Adjustments were required to be made in the business office and reflected in the audit.

Cause:

Inadvertent oversight.

Recommendation:

As part of the year end close out procedures, an additional review of the Title I Federal award receivable and unearned revenue should be conducted, in order to provide complete and accurate balances for the District's financial statements.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015
(continued)**

**Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs**

STATE AWARDS

Finding: None

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, US OMB Circular A-133 (Section .315 (a) (b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

STATUS OF PRIOR - YEAR FINDINGS

Information on the state program: Equalization Aid (GMIS No. 495-034-5120-078), Security Aid (GMIS No. 495-034-5120-084), Special Education Aid (GMIS No. 495-034-5120-089)

Finding: 2014-1

Condition: One employee that was terminated in November 2013 was not removed from the health insurance bill until June 2014.

Current Status: This condition has been resolved

Information on the federal program: NCLB - Title I (84.010A)

Finding: 2014-2

Condition: The NCLB-Title I was not sufficiently analyzed with regard to adjusting accounts receivable and unearned revenue.

Current Status: This condition has not been resolved, see finding 2015-2.